

CONTRACT #2
RFS # N/A

University of Tennessee

VENDOR:
Alexander, Haas, Martin &
Partners, Inc. (AHM&P)



THE UNIVERSITY of TENNESSEE

Vice President for Administration and Finance

711 Andy Holt Tower
Knoxville, TN 37996-0174
Phone: (865) 974-2243
Fax: (865) 974-1324

December 5, 2005

Mr. Jim White
Executive Director
Fiscal Review Committee
8th Floor, Rachel Jackson Building
Nashville, TN 37243

Dear Mr. White:

The University of Tennessee is submitting a non-competitively bid contract for review. The three-year contract with Alexander, Haas, Martin, and Partners (AHM&P) provides counsel, strategy, and direction for the university's upcoming multi-million dollar capital campaign. The contract totals \$858,000.

The non-competitively bid contract presented for review results from a relationship established in FY 2003 when the university competitively bid for a capital campaign feasibility study and awarded a contract to AHM&P. As part of the study, AHM&P interviewed key campaign prospects and developed a thorough understanding of the university's needs. Selecting another firm to build upon services already provided would require the university to duplicate the efforts already taken. Given the outstanding services rendered to date and the knowledge acquired by AHM&P over the past two years, the acquisition of additional services from AHM&P was deemed in the university's interest both programmatically and financially.

If you have any questions or need additional information, please let me know.

Sincerely,

A handwritten signature in cursive script, reading "Sylvia Shannon Davis".

Sylvia Shannon Davis
Vice President for Administration and Finance

c: John Petersen
Jack Britt
Dorothy Bryson
Anthony Haynes
Henry Nemcik
Gary Rogers

THE UNIVERSITY OF TENNESSEE
JUSTIFICATION FOR NON-COMPETITIVE PURCHASES AND CONTRACTS
Values of \$50,000 or More

Contract Tracking Number _____

Requisition Number for Items Processed through Purchasing: _____

This form must be completed for all non-competitive purchases for goods or services that are secured either through a purchasing requisition or a contract for expenditures of \$50,000 or more. This form and any other documents that support the justification of a non-competitive purchase **must be approved in advance** of securing the goods or services. Approvals include the Department Head, Director of Purchasing, and the Chief Business Officer or their designees. The Chancellor or Vice President or designee must approve expenditures of \$100,000 or more. The Vice President for Administration and Finance, or designee, must approve expenditures of \$250,000 or more.

Non-competitive service contracts, including amendments that cumulatively exceed \$250,000 must be routed to the Tennessee Legislative Fiscal Review Committee for comment. The Fiscal Review Committee has 15 days from the receipt of the contract information for comments. A minimum of 30 days will be required to process service contracts exceeding \$250,000.

Information Related to the Purchase of the Goods or Services

1. Type of Request:

Non-Competitive Contract (Sole-Source) ☒
Contract thru Purchasing ☐
Requisition thru Purchasing ☐

2. Prepared By:

Name: Henry F. Nemcik/Stacy Hayes
Email address: hnemcik@tennessee.edu/shayes@utk.edu
Phone No: 974-2115

3. Cost Center or WBS Element:

Name: Capital Campaign
Number: E032500

4. Proposed Contractor or Vendor:

Name: Alexander Haas Martin & Partners, Inc.
Address (Street): 3520 Piedmont Road, N.E., Suite 300
Address (City, State, and Zip Code): Atlanta, GA 30305

5. Effective Date:

Beginning Date

January 1, 2006

Ending Date

December 31, 2008

6. Estimated Cost:

\$858,000

7. Source of Funds (e.g. state funds, federal funds, etc.):

University General Funds

8. Is this an amendment to an existing contract/purchase order?☐ Yes☒ No**9. If Yes,**

Number of Original Contract/Purchase Order

Beginning Date of Original Contract/Purchase Order

Amount of Original Contract/Purchase Order

Accumulated Cost with this amendment

10. Describe the primary reason the University is entering into this contract/purchase

To gain counsel, strategy, and direction for the multi-million dollar system-wide campaign (January 2005 - December 2011). Outside counsel is important to provide impartial perspective and advice.

11. Describe the goods or service to be acquired.

Consulting services for the system, all four campuses, and the Institute of Agriculture

12. Is there an urgent need or an emergency preventing competitive methods?☐ Yes☐ No☒ N/A

If yes, please explain:

13. Is there only one product or service that can meet the specific needs or must the product or service be provided by this particular source.

☒ Yes ☐ No ☐ N/A

If yes, please explain:

Although there are other fundraising consulting firms, only this source can provide continuity for the next phases of the campaign. Alexander Haas Martin & Partners has over two years of work invested in this campaign's planning (see item 15 below). Any other consultant would be starting from the beginning --essentially from scratch.

14. Does proposed contractor or vendor have experience providing same or similar goods or services?

☒ Yes ☐ No

15. Has the department ever purchased these same goods or services from this vendor?

☒ Yes ☐ No

If yes, what procurement method was used? (Ex. Competitive, Non-Competitive, etc.)

UT competitively bid for a consultant to provide a capital campaign feasibility study in FY 2003.

16. If for services, was an effort made to use existing University employees to perform services?

☐ Yes ☒ No

If no, why not?

Existing staff already have full responsibilities. To hire new staff permanently would be even more expensive. Additionally, a major reason for obtaining outside counsel is the impartial perspective and advice they provide.

17. Is the contract for services from another governmental unit, such as a State or federal agency, or from another college or university?

☐ Yes ☒ No

Justification

A complete justification must be provided to explain why the University should acquire the goods or services through non-competitive procurement request rather than through a competitive process. (Note: Being the "only known" or "best" is not deemed adequate justification.)

UT competitively bid and awarded a contract in FY 2003 to Alexander Haas Martin & Partners (AHM&P) to conduct a campaign feasibility study. Upon completion of the study, which concluded the university was positioned to move forward with a capital campaign, UT entered into a subsequent contract with AHM&P to provide campaign consulting services while the search for a new Vice President for Development and Alumni Affairs was underway. This

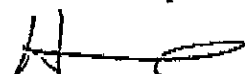
action was taken to allow the new Vice President the ability to evaluate with staff the university's needs and establish the direction for a major capital campaign initiative.

The leadership is now in place and has had an opportunity to review the previous studies and assess UT's needs. The analysis shows that additional direction is needed as UT's move toward an imminent multi-million dollar system-wide campaign. This is a typical need of any university undertaking this significant endeavor. It was further concluded that the university was best served by continuing its relationship with AHM&P given the work performed to date and the quality of the work obtained.

Capital campaigns call for long-term strategy, building relationships with donors, prospects, and staff. As part of the feasibility study, AHM&P interviewed key campaign prospects and developed an intimate knowledge of their potential as well as strategies for working with these major donors. This knowledge cannot be transferred to another firm. Continuity of counsel is crucial as each stage of the campaign builds on work already completed.

Alexander Haas Martin & Partners has been a diligent and effective advocate. Their counsel has included timely reports and effective staff training. They have effectively involved President John D. Petersen in the important donor relations strategies. They have made recommendations for campaign staffing and have provided counsel about the probable cost of this campaign and its potential return.

Distilled, the two most important reasons for extending a new contract to Alexander Haas Martin & Partners are continuity and cost. To select another firm (which would mean essentially starting from scratch), would waste the nearly \$600,000 spent to date, not to mention the time invested and knowledge obtained by Alexander Haas Martin & Partners to date. We are pleased with their service and counsel and see no reason to add to the State's expenditure by starting over.

Approvals**\$50,000 to \$100,000**_____
Department Head or their Designee_____
Date_____
Campus/Unit Purchasing Officer or their Designee_____
Date_____
Chief Business Officer or their Designee_____
Date**Additional Approval for \$100,000 or more**_____
Vice President or Chancellor or their Designee

12-1-05

Date**Additional Approval for \$250,000 or more**_____
Vice President for Administration and Finance or Designee_____
Date

THE UNIVERSITY OF TENNESSEE

CONTRACT

This Contract, made and entered into on 12/1/05, documents the agreement between The University of Tennessee (hereinafter University) and ALEXANDER HAAS MARTIN & PARTNERS, INC. (hereinafter Contractor).

This Contract consists of this cover page, the University's Standard Terms and Conditions (on reverse), and 2 additional pages. Terms contained on this cover page and the University's Standard Terms and Conditions shall prevail over those of any attachment unless otherwise stated under "Other terms" below.

Contractor will provide the following:

Contractor will provide campaign counsel for multi-million dollar system-wide campaign for UT Knoxville, Institute of Agriculture, UT Martin, UT Chattanooga and Memphis Health Science Center campuses. Provide strategy and direction to the President, Vice President for Development, campaign leadership, chancellors of each campus, senior development staff and volunteer leadership.

The period of performance under this contract is from 1/1/06 through 12/31/08. However, the University may terminate this Contract by giving the Contractor at least thirty (30) days written notice before the effective termination date, in which event the Contractor shall be entitled to receive equitable compensation for satisfactory authorized work completed as of the termination date.

The University will compensate the Contractor \$ 2,750 per daily visit.

Other payment terms:

Daily consulting rate of \$2,750 per day, plus a \$3,000 retainer per month for counsel provided offsite by telephone, mail, e-mail, fax, and in AHM&P offices, plus travel as incurred with travel not to exceed \$200,000.

The University's maximum liability under this Contract is \$ 858,000.

Other terms (N/A if none):

See attached.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives.

FOR CONTRACTOR:

Signature

Name (Printed)

Title

3520 Piedmont Rd., N.E., Suite 300

Address

Atlanta, GA 30305

404-525-7575

Telephone Number

58-1757959

SSN or Fed. Id. No.

FOR UNIVERSITY:

VP for Development & Alumni Affairs

Department Name

E032000017

Responsible Account
(If applicable)


Administrative Signature
(Optional)

Authorized Official

STANDARD TERMS AND CONDITIONS

1. The University is not bound by this Contract until it is approved by the appropriate University official(s) indicated on the signature page of this Contract.
2. This Contract may be modified only by a written amendment which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
3. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the University.
4. Unless otherwise indicated on the reverse, if this Contract provides for reimbursement for travel, meals or lodging, such reimbursement must be made in accordance with University travel policies.
5. The Contractor warrants that no part of the total Contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to Contractor in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in the Contractor. If the Contractor is an individual, the Contractor certifies that he/she is not presently employed by the University or any other agency or institution of the State of Tennessee; that he/she has not retired from or terminated such employment within the past six months; and that he/she will not be so employed during the term of this Contract.
6. The Contractor shall maintain documentation for all charges against the University under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the University or the Comptroller of the Treasury, or their duly appointed representatives. These records shall be maintained in accordance with generally accepted accounting principles.
7. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract. The Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notice of non-discrimination.
8. The Contractor, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract. The University shall have no liability except as specifically provided in this Contract.
9. The Contractor shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
10. This Contract shall be governed by the laws of the State of Tennessee, which provide that the University has liability coverage solely under the terms and limits of the Tennessee Claims Commission Act.
11. The Contractor shall avoid at all times any conflict of interests between his/her duties and responsibilities as a Contractor and his/her interests outside the scope of any current or future Contracts. The following principles define the general parameters of a conflict of interests prohibited by the University:
 - A. A Contractor's outside interests shall not interfere with or compromise his/her judgment and objectivity with respect to his/her duties and responsibilities to the University.
 - B. A Contractor shall not make or influence University decisions or use University resources in a manner that results in:
 - Financial gain outside any current or future Contracts for either the Contractor or his/her relatives or
 - Unfair advantage to or favored treatment for a third party outside the University.
 - C. A Contractor's outside financial interests shall not affect the design, conduct, or reporting of research.

The Contractor certifies that he/she has no conflicts of interests and has disclosed in writing the following:

 - A. Any partners or employees of the Contractor who are also employees of the University.
 - B. Any relatives of the Contractor's partners or employees who work for the University.
 - C. Any outside interest that may interfere with or compromise his/her judgment and objectivity with respect to his/her responsibilities to the University.
12. If the Contractor fails to perform properly its obligations under this Contract or violates any term of this Contract, the University shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. The Contractor shall not be relieved of liability to the University for damages sustained by breach of this Contract by the Contractor.
13. It is understood by the Contractor that the University will possess all rights to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of the Contractor's performance under this Contract. The Contractor and the University acknowledge and agree that the Contractor's work under this Contract shall belong to the University as "work-made-for-hire" (as such term is defined in U.S. Copyright Law).

Campaign Counsel Agreement with Alexander Haas Martin & Partners, Inc.

Campaign Counsel for Overall Campaign and All System Units – Provide strategy and direction to the President, Chancellors, Vice Presidents, Vice Chancellors and campaign volunteer leadership and:

- Draft overall campaign plan, campus and institutes plans and campaign counting policies.
- Draft campaign communications plan and review writing and design of campaign communications as requested by the University.
- Assist in the development of named gift opportunities and appropriate policies relative to them.
- Meet regularly with President, Vice President for Development & Alumni Affairs, Chancellors and their Vice Chancellors, to design and implement strategies to keep the campaign moving toward goal.
- Provide counsel to Deans and Department Heads on the campuses as well as development and alumni staff as appropriate.
- Attend meetings of the Board of Trustees Solicitation Committee, Campaign Executive Committee, campus and institutes campaign committees, and Development Council.
- Provide counsel on other development-related issues as they arise during the course of the campaign.

--\$3,000 retainer per month for counsel provided offsite by telephone, mail, e-mail, fax, and in AHM&P offices, plus travel reimbursed as incurred, with a daily rate of \$2,750 per visit with a maximum of 200 days on site over three years.

Total (\$3,000 monthly retainer fee for thirty six months=\$108,000; \$2,750 daily rate per visit not to exceed 200 days over three years=\$550,000)= \$658,000

Travel estimate \$1,000 per trip x 200 trips over three years not to exceed \$200,000.

Total estimated travel expenses during the contract period: \$200,000

At least six interim status reports will be provided to the President, Vice President for Development & Alumni Affairs, Chancellors, and Vice Chancellors at key points in the campaign to indicate progress being made toward campaign objectives. Monthly reports of on-site

visits will be provided to the Vice President for Development & Alumni Affairs and Vice Chancellors.

Total liability for University of Tennessee: \$858,000